

DCI/ICS 88-4207
19 January 1988

MEMORANDUM FOR: Study Management Policy Group Members

FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff

SUBJECT: Study of Intelligence Personnel Systems

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1. Attached for your review is a draft paper setting forth Terms of Reference (TOR) for a one-year study of Intelligence Community personnel systems. The study was directed by the Fiscal Year 1988 Intelligence Authorization Act and will be performed by the National Academy of Public Administration (NAPA). It was briefly discussed at the National Foreign Intelligence Board meeting on 3 December 1987.

2. I will chair a Study Management Policy Group (SMPG) to guide a Community Steering Group that will manage the NAPA effort. Recipients of this memorandum are members of the SMPG, which will meet at [redacted] on 20 January 1988 from 1400-1430 to be briefed on the study and approve the TOR.

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3. The tight deadlines specified by the Congress (first interim report is due 1 May 1988) make it imperative that NAPA be under contract by the beginning of February. Preliminary work to draft the TOR has been carried out by a Steering Group chaired by [redacted] Director of the Planning and Policy Office, ICS, with representatives from appropriate Community agencies and offices. Any questions on the study can be directed to [redacted]

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Edward J. Heinz
Lieutenant General, USAF

Attachment:
Terms of Reference

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SUBJECT: Study of Intelligence Personnel Systems

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- Copy 1 - Maj Gen Schuyler Bissell, USAF (ACIS)
- 2 - Mr. John Guenther (USMC)
- 3 - Mr. Dennis Harman (DNI)
- 4 - Mr. Curtis Kamman (State/INR)
- 5 - [REDACTED] (DIA)
- 6 - LTG William E. Odom, USA (DIRNSA)
- 7 - Mr. Oliver Revell (FBI)
- 8 - [REDACTED] (ExDir/CIA)
- 9 - LTG Sidney Weinstein, USA (DCIS)
- 10 - Lt Gen Edward J. Heinz, USAF (D/ICS)
- 11 - Mr. Craig Wilson (ASD/C³I)

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DCI/ICS/PPO, [redacted] (15 January 1988)

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Study of Intelligence Personnel Systems

Terms of Reference

Background

The Intelligence Authorization Act for Fiscal Year 1988 (Title VII, Section 701) requires the Director of Central Intelligence to contract with the National Academy of Public Administration (NAPA) for a comprehensive review and comparative analysis of the civilian personnel management and compensation systems of the Intelligence Community. The analysis is to include an assessment of the adequacy of existing personnel systems to support the missions of the various intelligence organizations. NAPA is also directed to make recommendations for additional legislation and regulatory or other changes that are deemed advisable to improve the effectiveness of the separate systems.

Scope and Emphasis

For the purpose of the study, the "Intelligence Community" will be those agencies and entities defined in Section 3.4(f) of Executive Order 12333, with primary focus on CIA, NSA, and DIA, but including State/INR, FBI/FCI, and civilian intelligence personnel of the military services.

The study is intended to be an objective, classified review of the Intelligence Community's personnel management and compensation systems. The aim is to provide a baseline understanding of the effect of these systems on

the ability of intelligence organizations to perform current and future missions. In carrying out the study, NAPA will examine issues and programs bearing on recruitment, retention, and effective management of employees. Attention should be paid to the consequences of pay and evaluation aspects of personnel systems and to programs related to needs for certain critical skills and occupations. Career development and employee support programs should also be examined, as should infrastructure support for personnel management. The interim and final reports should also provide NAPA's recommendations regarding proposed and potential legislation affecting the intelligence personnel systems.

Broad Objectives

The study should achieve the following broad objectives:

- o An examination of the need for significant change in existing Intelligence Community human resource management systems implied in current economic, social, and demographic trends.
- o An examination of present and planned Intelligence Community personnel systems to ascertain if they will be able to attract and retain the highest quality personnel through the 1990s, including identification and specification of necessary improvements and required legislative proposals.
- o A comparison of Intelligence Community personnel systems with the federal civil service, including identification and analysis of

personnel issues facing the Intelligence Community that differ significantly from those facing the federal government in general.

- o A comparison of the personnel needs and requirements facing the individual members of the Intelligence Community, with due regard for the differing missions, risks, job requirements and environments of the agencies, departments, and offices involved.
- o Recommendations, if warranted, for legislative, regulative, or other changes in personnel and/or compensation programs based on the unique nature of intelligence activities.

Areas of Inquiry

In the course of meeting the broad objectives, the study should address the following specific areas:

- o Competition Intelligence Community competition for human resources is primarily with the private sector. The total compensation package (pay, benefits, and awards) should be evaluated to determine what needs to be done to make the Intelligence Community competitive in the 1990s in the private sector market in which it competes.
- o Security Special security, cover, lifestyle, and professional restrictions should be examined to determine how they should be recognized in the total compensation packages.

- o Rewards Mechanisms and programs for rewarding employees should be evaluated.
- o Training The resources necessary for retraining to meet changing staffing requirements should be analyzed. Areas that should be assessed include the adequacy of current training and employee development programs throughout the Intelligence Community (as they relate to occupational skills training and the availability of training) and the adequacy of resource commitments to these endeavors.
- o Work Environment The quality of work environment in each agency, including availability of appropriate facilities and equipment, should be compared with corresponding elements in the private sector.
- o Retirement Systems Existing retirement systems should be evaluated as both a managerial tool and an employee incentive. The focus here should be derived from the vagaries of ceiling and special skill needs and the consequent expectation that age and promotion bubbles will arise. The evaluation should emphasize problems of plateauing and the need to ensure appropriate employee throughput.
- o Flexibility The changing and expanding nature of intelligence requirements and the growing interdisciplinary, interagency character of intelligence work require managers to have greater staffing and pay flexibility in organizing the work force. The study should explore the appropriateness and feasibility of establishing

alternatives to the General Schedule and/or restructuring the General Schedule to provide greater management flexibility.

- o Occupational Pay Occupational pay should be evaluated as an approach to pay administration.
- o Leave and Benefits Alternative leave and benefit programs should be evaluated with respect to the need to accommodate the modern work force, which contains an increasing number of dual-income families and single parents.

Steering and Guidance

A Study Steering Group (SSG), chaired by a member of the Intelligence Community Staff, with representatives (one each) from the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, the Department of State's Bureau of Intelligence and Research, the Federal Bureau of Investigation, and US Army Intelligence (representing all the military services) will be formed to guide and facilitate NAPA's work, to assure that necessary support is provided from participating agencies, and to assist the Intelligence Community Staff in carrying out its role as agent for the DCI in reviewing and overseeing the study. The Intelligence Community staff will provide the Contracting Officer's Technical Representative (COTR) for the study.

The SSG will identify within each participating agency or entity a focal point for all study-related activity within that organization, including

responses to NAPA's requests for information. NAPA will coordinate all of its activities through these focal points. Both NAPA and the focal points will keep the COTR and SSG aware of progress and problems.

The SSG will receive guidance and overall direction from a Study Management Policy Group (SMPG). The SMPG will be chaired by the Director of the Intelligence Community Staff and will be composed of NFIC-level representatives of the intelligence organizations participating in the study. The SMPG will act for the DCI in the review of the interim reports and will make recommendations to the DCI regarding the final report.

Security

Names of the NAPA study team and panel will be provided to the COTR prior to commencement of the study to assure that necessary clearances are obtained from participating organizations.

The COTR will determine that NAPA is provided with suitable secure office space and storage facilities. The focal point for each organization will make such arrangements as may be necessary for office space and secure storage facilities in individual organizational locations.

Methodology and Study Organization

NAPA shall be responsible for the proposal of a study methodology and organization which shall be subject to the approval of the COTR after consultation with the Study Steering Group. The COTR will convey to NAPA any

special study focus and guidance received from the Congressional Oversight Committees when it becomes available. In defining the study's scope and tasks, NAPA's proposal shall take into account the funding constraints in the authorizing legislation as well as timing and other considerations required for the interim and final reports.

Timing and Reports

The study will begin as soon as practicable after 1 January 1988. NAPA will provide interim reports on 1 May and 1 August 1988. The study will be concluded and a final report provided by the DCI to the Oversight Committees on or before 20 January 1989.

The purpose of the interim reports is to provide a means for an assessment by the Congress of new or substantially modified programs and compensations planned for early implementation. In view of the limited time available to develop the interim reports, the SSG should advise NAPA early in the study which such programs should be evaluated. In addition to a report of progress on the study in general, of particular interest is an analysis of existing or proposed changes to personnel management and compensation systems aimed at recruiting or retaining individuals with skills critical to the missions of the Intelligence Community.